

Exhibit No. 6Date 3-10-11Bill No. SB 329**Senate Bill 329 Details:**

1. The intent of SB 329 is to enhance the authority and ability of elected school board trustees to work in collaboration with their constituents and fellow trustees in other districts to ensure that resources are used to their maximum positive effect on students educated in each school district.
2. SB 329's key provisions/concepts are as follows:

Current Problem	SB 329 Proposed Solution
<ol style="list-style-type: none"><li>1. The authority for school districts to collaborate together is overly-formalized and requires state level approval, long term agreements and sacrifice of local control over spending.</li><li>2. In order to collaborate on special education, school districts are limited to participating in one of 23 statewide cooperatives under an agreement that is subject to state-level approval.</li></ol>	<ol style="list-style-type: none"><li>1. Allow for multi-district agreements that allow school districts to cooperate and operate joint services across all budgeted funds of the district.</li><li>2. Allows districts to transfer money from all budgeted funds in support of the agreement, which would allow, for example, multi-district agreements on transportation, custodial services and maintenance, technology, purchasing, special education, etc.</li><li>3. Safeguard: The limit on what a district could transfer to support a multi-district agreement is 44.9% of its maximum general fund, which is funded exclusively with state, not local, funds in every school district in the state.</li></ol>
<p>Under current law, there are unnecessary restrictions on what trustees can do with fund balances in inactive funds. The general rule is fine in that it allows trustees to transfer all cash to any fund considered appropriate by the trustees. There are two exceptions, however, that need to be eliminated:</p> <ol style="list-style-type: none"><li>1. Closure of the tuition fund, which requires a transfer of remaining funds to the miscellaneous programs fund; and</li><li>2. Closure of the bus depreciation reserve fund, which requires that the district sell all of its buses and close the fund in order to qualify for a transfer.</li></ol>	<p>SB 329 eliminates the two exceptions from the law on transferring money from inactive, closed funds and would ensure that trustees can manage the cash balances from closed funds in a manner that best meets local needs without state level restrictions.</p>
<p>Under current law, school districts are overly-restricted in taking advantage of the best possible price on goods available through cooperative purchase groups. These groups operate on a regional and even a national basis to get the best possible price on a variety of goods typically purchased by schools. Under current law, a cooperative purchasing group would have to bid</p>	<ol style="list-style-type: none"><li>1. SB 329 proposes a change in the law to match the current technology and purchasing options available through cooperatives. SB 329 allows a school district to purchase from a cooperative if the cooperative allows Montana businesses and others to bid its goods at least twice yearly under a lowest responsible bidder guideline.</li></ol>

<p>every product on its website in every paper of daily circulation in the state of Montana in order to allow school districts throughout the state of Montana to purchase goods above the bidding threshold.</p>	<ol style="list-style-type: none"> <li>2. This provision will allow school districts to save significant sums of money on larger purchases and, in combination with the multi district agreement provisions of Section 1, would allow school districts across the state to combine their purchasing power into a Montana cooperative of their own if they were inclined.</li> <li>3. Safeguard: Montana businesses have an opportunity to not only maintain but even expand their business through access to nationwide cooperative purchase groups. SB 329 would require nationwide cooperatives that want to sell to school districts in Montana to open up their national markets to Montana businesses, providing greater opportunities for economic expansion in Montana.</li> </ol>
<p>Under current law, a district is restricted in transferring money from fund to fund to meet spending needs of the district. A school district might have an excess of funds in one budget and a shortfall of funds in another budget, but current statutory restrictions prevent elected trustees and even local voters from determining what is the most efficient way to spend money of the district.</p>	<ol style="list-style-type: none"> <li>1. SB 329 proposes to allow trustees to transfer funds that were raised through a local voted or nonvoted levy to another purpose provided that the voters approve the transfer and the new purpose.</li> <li>2. Safeguard: Voter approval requirement and voter control over how the funds will be spent after transfer.</li> </ol>
<p>Under current law, there is no incentive for trustees to reduce voted taxes when possible. If protested taxes or one-time revenues come in to a district, and the trustees want to use those funds to temporarily reduce the voted taxes for the district taxpayers, they have to regain a vote the next year to restore the voted levy to its prior level (no increase, just back to what it was before it was reduced).</p>	<ol style="list-style-type: none"> <li>1. SB 329 proposes to allow trustees to restore a voted levy up to the highest amount authorized in the preceding 5 years, which will give trustees an incentive to use any one time only funds to reduce taxes without having to run the risk of permanently losing the authority to restore those tax levels absent a vote.</li> <li>2. Safeguard: No increase in over BASE taxes beyond those levels previously authorized by the voters within the last 5 years.</li> </ol>